

# 2023 Corporate Governance and Sustainability Report

NWI Aerostructures



NWI



**Rick Rosenjack**  
President

## MESSAGE FROM OUR PRESIDENT

I am pleased to present our 2023 Corporate Governance and Sustainability Report which provides information on our progress and reaffirms our commitment to social responsibility. Our customers and the aviation industry in general have made sweeping commitments to sustainability by 2050, and there has been immense interest from our customers in new sustainability efforts. As our NWI business continues to grow, sustainability commitments and efforts are necessary to meet industry and global climate goals, and this effort is a key part in our strategy.

As a company, we firmly believe our success will be amplified as we adopt and implement policies that place the well-being of our customers, suppliers, employees, and their families at the forefront of our business strategy. We also believe that sound, sustainable business practices are crucial to building trust and enhancing NWI's reputation. To that end, our values statement, modified in 2022, now includes "socially & environmentally responsible" as a core value.

## OUR MISSION AND VALUES

### Our Mission

Our duty is to create long-term profitable growth to produce value for our shareholders, security for our employees, and solutions for our customers and business partners.

### Our Values

*We believe in...*

- Absolute Integrity and Ethics
- Focus on the Customer
- Merit-Based Workplace
- Safe Working Environment
- Goal-Oriented Actions
- Socially and Environmentally Responsible



## MESSAGE FROM OUR PRESIDENT (cont.)



In 2022, the Tennessee Department of Environment and Conservation (TDEC), in its first quarter newsletter, highlighted Nashville for its Green Star Partnership and recognized Nashville's sustainability efforts and successes. TDEC referenced NWI's corporate-wide environmental management system named E.A.R.T.H. which offers standards comparable to ISO 14001. The acronym stands for Educate, Adhere, Reduce, Take action, and Have consideration for environmental issues in our business strategy and initiatives.

In 2023, we took our sustainability effort a step further by partnering with the Green Business Bureau to implement sensible Sustainable Manufacturing processes. This effort includes managing greenhouse gas logs, site carbon footprint, waste management, and sustainability practices for corporate practices, manufacturing operations, and community engagement.

Going forward, we intend to add further to the positive changes referenced above and to reflect our dedication to improving the health and overall well-being of our team members.

In 2022, we increased our Recycling Programs and added an Accelerate Chemical Management and Water Module software solution from VelocityEHS to manage safety data sheets, chemical storage data, stormwater and sanitary sewer testing, and usage metrics. I am pleased to report that all of our 2022 emissions from NWI Wichita and NWI Nashville are well under the maximum allowed by permits.

From an employee standpoint, we held our ratios for gender, ethnicity, and race in 2022 fairly consistent with 2021, increased our volunteerism in 2022 with 10 fundraising and volunteer events, and volunteered over 146 hours to community causes.

Also for our employees, to aid in governance of our policies, NWI Aerostructures partnered with Syntrio/Lighthouse to offer an avenue for employees to raise concerns in a confidential, anonymous manner. There is also a feature to allow employees to submit Suggestions or Ideas for improvement to further aid in upholding behaviors consistent with our cover values.

Finally, as a supplier in the Defense Industrial Base (DIB), we are required to follow the Cybersecurity Maturity Model Certification (CMMC)/NIST 800-171 and their 110 security controls to protect customer data. You will find more details on how we do this in the report, specifically focusing on people, processes, and technology.

I want to personally thank all of our stakeholders for their continued interest in NWI and for supporting our efforts as we endeavor to do what's right for our customers, our suppliers, our employees, and the communities in which we work and live.

A handwritten signature in black ink, appearing to read 'Rick'.

Rick Rosenjack  
*President, NWI Aerostructures*

# SUSTAINABILITY POLICY

## POLICY

NWI Aerostructures is committed to reducing its impact on the environment. We will strive to improve our environmental performance over time and initiate additional projects and activities to reduce our environmental impacts further.

Our commitment to the environment extends to our customers, our staff, and the communities in which we operate.

## VISION

NWI Aerostructures contributes to a robust, equitable, and environmentally sustainable society. Through this policy, the organization reinforces its commitment to fostering a culture of sustainability in our manufacturing operations, research, community engagement, and corporate practices.

## SCOPE

All staff, visitors, and contractors should be aware of this policy when they are engaged in the organization's activities or provide products and services to the organization.

## RESPONSIBILITIES

The Executive Staff and Site Senior Leadership Teams are committed to sustainability principles.

Managers and Supervisors are responsible for sustainability and ensuring compliance with this policy within their control area. The organization's Sustainability Plan includes objectives, targets, and associated accountabilities.

## PROCEDURE

The organization will strive to improve its sustainability practices in its corporate practices, manufacturing operations, research, and community engagement activities.

### Leadership in Corporate Practices

NWI Aerostructures will effectively manage sustainability by:

- Implementing and maintaining a structure that ensures systematic sustainability management through its manufacturing sites
- Training all staff on our environmental programs and empower them to contribute and participate
- Complying with all statutory environmental regulations and requirements
- Minimizing its environmental impact and managing its carbon footprint
- Minimizing the use of natural resources
- Embedding sustainability in decision-making processes

- Providing appropriate training in sustainability for all staff, contractors, and visitors
- Communicating our environmental commitment and efforts to our customers, staff, and the communities where we do business
- Showcasing the organization as the best sustainable practice model to the local and global community
- Continually improving over time by striving to measure our environmental impacts and setting goals to reduce these impacts each year

### Leadership in Community Engagement

NWI Aerostructures will:

- Share and exchange sustainability knowledge and experience with other manufacturing organizations, community groups, and public and private sectors
- Foster engagement of the organization's community and the broader community in sustainability
- Develop strategies to create knowledge and leadership in sustainability among local, national, and international communities

# ENVIRONMENTAL POLICY

At NWI Aerostructures we will conduct our business with respect for the safety of all employees and with respect for the environment. NWI Aerostructures will comply with all safety and environmental legislation, regulations, and additional voluntary best management practices to which our company subscribes.

NWI Aerostructures is committed to providing a safe and healthy workplace and to protecting and preserving the environment of the Earth by minimizing environmental impacts concerning our activities, products, and services. To accomplish this, NWI Aerostructures shall:



**E**ducate, train, and motivate employees to conduct tasks in a safe and an environmentally responsible manner

**A**dhere to all applicable legal and procedural requirements which relate to NWI's manufacturing and support activities

**R**educe waste, prevent pollution, and minimize the over consumption of natural resources

**T**ake initiative to embed safety and environmental protection in the company's and employees' culture and strive to influence customers and suppliers to do the same

**H**ave consideration for safety and environmental issues in all business strategies and initiatives

NWI Aerostructures is committed to continual improvement of safety and environmental performance by continually working to eliminate hazards and reduce risks. To fulfill this commitment, NWI Aerostructures will develop and implement objectives and shall consult with workers and encourage their participation in these projects as well as risk assessment activities whenever possible. This policy will be communicated to all staff, contractors, and suppliers and will be available to the public through selected media.

# ENVIRONMENTAL HIGHLIGHTS

## Green Business Bureau Partner

Green Business Bureau partner at NWI Nashville implementing sensible sustainable manufacturing processes. This includes managing greenhouse gas logs,



site carbon footprint, waste management, and sustainability practices for corporate practices, manufacturing ops, and community engagement.

## Green Business Bureau Partner



established a Sustainability Committee to serve as company's leading advocates for greening efforts.

Obtained Bronze status with Green Business Bureau in 2023 and

## NWI Nashville Hazardous Waste Total Shipped

269,848.00 lbs. shipped in 2021  
204,585.00 lbs. shipped in 2022  
 Reduction of 65,263 lbs.

**24% decrease**  
 in hazardous waste shipped from 2021 to 2022

## NWI Nashville Water Reuse Rate

95,534,545 gallons received  
89,374,040 gallons returned for reuse  
 6,160,505 gallons sent to sanitary sewer

**85% return**

## VelocityEHS Accelerate Chemical Management and Water Module

Implemented Chemical Management and Water Modules with VelocityEHS Accelerate platform to manage safety data sheets, chemical storage data, stormwater and sanitary sewer testing, and usage metrics.

## Recycling Programs

PPE recycling program at NWI Nashville. Batteries, lightbulbs, and e-waste recycled at NWI Wichita.

Pollutants	NWI Nashville 2022 Emissions	Max (Allowed by Permits)
Particulate Matter	1.16 Tons	31.2 Tons
Sulfur Dioxide	0.09 Tons	1.7 Tons
Nitrogen Dioxide	14.2 Tons	175.4 Tons
Carbon Monoxide	12 Tons	142.7 Tons
VOC	7 Tons	239.3 Tons

# BUSINESS CONTINUITY POLICY

NWI Aerostructures considers prevention as a critical risk-reduction method. Since not all risks can be avoided, Business Continuity Management reduces the potential impacts to an acceptable level and provides the capability for an effective response to incidents that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities. Furthermore, it increases the organization's resilience.

## SCOPE

This Business Continuity Management Program is deployed at NWI Nashville and NWI Wichita, known as the business units. The Business Continuity Management Program is aligned with the site-specific Emergency Response Plans and prepares for and deals with Incident Management, site recovery, IT disaster recovery for locally owned systems, and continuity of operations.

## COMMITMENT AND RESPONSIBILITY

The Executive Group is committed to making advance arrangements to respond to incidents. It demonstrates a commitment by supporting the program (human resources and funding).

Business Units are responsible for developing and maintaining up-to-date Business Continuity strategies and plans related to their area of responsibility with the support of the Corporate EHS Manager who is the Business Continuity Leader.

## BUSINESS INTEGRATION

The Company strives to integrate business continuity considerations into business planning, decision-making, management practices, and daily activities. The organization will consider business continuity preparedness when selecting outsourcers and suppliers.

## BUSINESS CONTINUITY PLAN MANAGEMENT SYSTEM

The Company implements and maintains organizational structures and plans which enable it to prevent and reduce its exposure to significant risks and to be informed of any major incidents, allowing the Company to respond quickly to related issues and to take appropriate corrective actions in a timely manner, ensuring that business continuity is maintained.

## COMMUNICATION

The Company disseminates and promotes this Policy Statement and its principles to its employees and stakeholders. It also communicates expected actions at the time of an incident and provides appropriate training.

## CONTINUOUS IMPROVEMENT

Appropriate, regular exercises and post-incident reviews ensure the effectiveness of the Business Continuity Management arrangements. The Company regularly reviews conformance to the Policy and the Business Continuity Management Program with the business continuity industry's guidelines to ensure continued relevance to current and future situations and to stimulate continuous performance improvement.

# EQUAL EMPLOYMENT OPPORTUNITY POLICY

It is the policy of NWI Aerostructures to provide equal employment opportunity to all individuals regardless of their race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), age (40 or older), national origin, disability, genetic information, veteran status, or any other characteristic protected under local, state, or federal law. NWI Aerostructures is strongly committed to this policy and believes in the concept and spirit of the law. NWI Aerostructures is further committed to assuring that:

- All recruiting, hiring, and placement decisions made by the organization's supervisors and managers will be based solely on job-related qualifications and abilities. All selection, job assignment, compensation, transfer, promotion, demotion, discipline, termination, and layoff decisions will be made without regard to or consideration of, and will not be based on or because of, any protected characteristic.
- All personnel practices, including compensation, benefits, training, discipline, tuition reimbursement, safety and health programs, as well as social and recreational programs are administered without regard to or consideration of, and will not be based on or because of, race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), age (40 or older), national origin, disability, genetic information, veteran status, or any other characteristic protected under local, state, or federal law.
- We will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship or direct threat. This policy covers all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.
- It complies with all affirmative action obligations it has under applicable laws.

NWI Aerostructures believes in and practices equal opportunity and affirmative action.



# SAFETY RESPONSIBILITIES

In order to maintain a safe workplace, every employee must understand and accept their responsibilities. Everyone's personal safety performance must be monitored and assessed. Any failure to fulfill responsibilities must be corrected immediately.

## Top Management Responsibilities:

- Establish the overall safety policy and expectations.
- Ensure that each facility has the financial and technical support necessary to protect the health and safety of all employees.
- Lead formal assessments at each facility to ensure all expectations are met.

## General Manager Responsibilities:

- Maintain a constant awareness of all safety issues throughout the facility.
- Promote safety excellence through assignment of personal accountability to every company employee, contractor, and visitor. Reward positive performance and immediately correct poor performance.

- Assign a qualified staff member to oversee the safety programs and ensure that all elements of the safety programs are followed.
- Investigate each accident and near miss, ensuring that all corrective actions are adequate and are effected quickly.

## All Staff, Managers, and Supervisors Responsibilities:

- Communicate - Proactively present safety as a core value of the NWI workplace.
- Train - Provide initial and refresher safety training for each employee covering the potential safety hazards of their job as well as all safe work operating practices and procedures.
- Inspect - Provide continual surveillance of their area looking for any EHS issues, reporting all such issues, and making suggestions for correction wherever possible.
- Enforce - Ensure that all workers follow established safe work practices and procedures. Issue safety warnings and safety reprimands to any individuals not following these practices and procedures.
- Investigate - Thoroughly and promptly investigate and report all accidents and near misses occurring in their area of jurisdiction.

## Each Employee's Responsibilities:

- Assume individual responsibility for working safely at all times.
- Perform their jobs in accordance with all established safe work practices and procedures.
- Practice good housekeeping to eliminate potential hazards.
- Report all workplace hazards, unsafe conditions, accidents, and near misses.
- Bring safety improvement ideas to management for consideration.

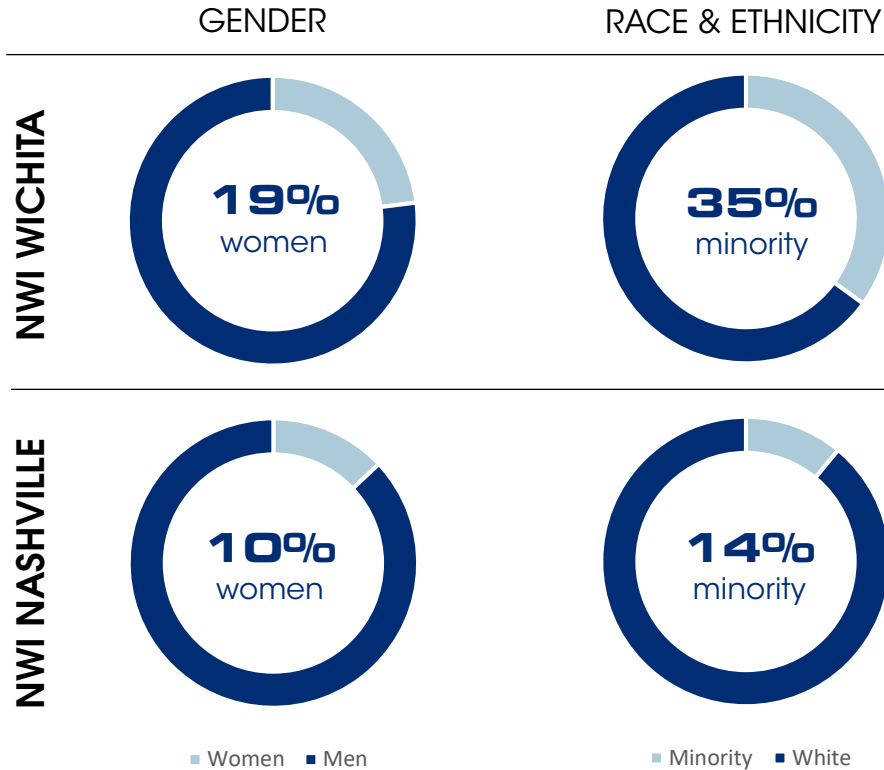
# PEOPLE HIGHLIGHTS

Salary assessor program used to ensure all employees receive competitive pay and comprehensive benefits.

NWI Aerostructures offers a competitive average hourly wage of \$28.95, **4 times** the national minimum wage.

Safety due diligence procedures in place including the following:

- Daily PPE compliance
- Weekly safety training with continuous status audits
- Annual EHS program reviews
- Routine safety GEMBA walks to review overall compliance and equipment status
- Annual physical site inspections and audits
- Regular electrical systems audits and inspections
- Ergonomic assessment of high risk activities
- Daily Stretch and Flex program implemented
- Slip, Trip, and Fall Campaign/Employee Committee established
- Enhanced safety messaging
- Confidential Employee Hotline added to report product safety and ethics concerns



**28** environmental, health, and safety training courses available.

Continuing expansion of employee training and development programs including addition of Aircraft Assembly School for 2023.

Continuing 5-year funding strategy for environmental and safety compliance.

Updating Fire & Life Safety Systems at both locations.

# GOVERNANCE HIGHLIGHTS

## BOARD OVERSIGHT

NWI Aerostructures' Board is comprised of five members, which is responsible for overseeing strategy and performance.

NWI Aerostructures' EHS Manager oversees and executes Corporate Governance and Sustainability strategies.



## PRODUCT SAFETY POLICY

Six Principles govern our approach to product safety.

### Leadership Commitment and Accountability

NWI leadership champions product safety and prioritizes it so that safety-related tasks receive attention, time, and resources. We make accountability for product safety clear and ensure company associates understand their level of responsibility.

### Level of Product Safety

Our products are manufactured, processed, and assembled to achieve a high level of safety consistent with their application, legal regulatory, and industry requirements. We assess what could go wrong and implement controls to meet the required safety levels to reduce safety risks so far as reasonably practicable.

### Maintaining and Improving Product Safety

We are committed to continuously improving product safety and actively engaging in setting industry standards and good practices. We measure our performance and rigorously investigate and resolve safety-related issues, systematically embedding the learning from these back into our procedures and processes. Employees are encouraged to report any product safety concerns.

## Conforming Product

Robust quality is an essential building block of product safety, and by following our processes, we ensure that our products and those of our suppliers conform to their specifications.

## Safety Awareness and Competence

NWI employees share the responsibility for product safety. Annual product safety training is provided so employees understand the NWI Aerostructures' Product Safety Policy and processes and can fulfill their collective and personal responsibility.

## Just and Fair Culture

Our just and fair culture will provide an atmosphere of trust in which workers are encouraged to provide essential safety information and recognize those workers promoting continued safe work practices and positive reporting of error capture.

# CYBERSECURITY

As a supplier in the Defense Industrial Base (DIB), we are required to follow the Cybersecurity Maturity Model Certification (CMMC)/NIST 800-171 and their 110 security controls to protect customer data. We accomplish this by focusing on the three pillars of cybersecurity: people, processes, and technology. Each plays a different but equally important role in ensuring adequate cyber-hygiene. This is important because many organizations believe cybersecurity is a technology puzzle to be solved, and it is much more than that. We need to ensure our people are properly trained, we have repeatable processes in place, and we have the proper tools (technology) in place to support the first two pillars. This allows us to take a defense in-depth approach that is required in cybersecurity, preventing the reliance upon one safety mechanism for security.

The table outlines the composition of each pillar.

People	Processes	Technology
Security awareness, CUI, and insider threat training for all users	Appropriate policies and management systems	Firewalls, email, and web filtering; Attack surface management via Citrix VDI
Adequately skilled members of the IT and Security teams	The use of proven frameworks like NIST 800-171 and CSF	Multi-factor authentication, Mobile Device Management
Sufficient monitoring of systems and systems use	Planning audits and reporting on audit findings	Endpoint Detection and Response, anti-malware and controlled use of USB and portable storage devices
	Risk assessments, vulnerability management, incident response	Third party penetration tests, vulnerability scanner

# COMMUNITY IMPACT

AT NWI Aerostructures, we believe that the opportunity to do business in a community is a privilege that comes with a responsibility to give back. We actively volunteer and raise funds as a means to grow and connect with people in our communities.

7

organizations supported

10

fundraising/  
volunteer events

146

hours volunteered

**\$36,907.09**

donated in our communities

